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SUBJECT: THAILAND: PM THAKSIN KICKS OFF HIS RE-ELECTION CAMPAIGN WITH PROMISES APLENTY

REF: (A) BANGKOK 7186 (B) BANGKOK 6995

¶11. (U) Summary. In a live nationally-televised Bangkok rally on October 17, Prime Minister Thaksin Shinawatra officially opened his run for re-election with a flurry of "populist" promises to the Thai voters. From job training programs and new housing projects to expanded transportation systems and river basin development, Thaksin promised to eradicate poverty in Thailand within his next term if his government is given another four year lease in office. Thaksin was in rare form, alternately boasting of his ability to deliver while lambasting the main opposition Democrat Party (DP) for its inability to do so. In a calculated ploy to humanize his image, Thaksin admitted to a tendency to lose his temper with critics and bemoaned the effect of being Prime Minister on his sex life. DP Leader Banyat Bantadtan, not surprisingly, criticized Thaksin for holding a gaudy campaign inauguration while providing no answers to the issues of Avian Flu and southern violence. Despite -- or perhaps because of -- recent polls showing a softening in voter support, the Prime Minister is mounting a pronouncedly populist political campaign that offers something for everyone in Thai society. End Summary.

GRAND OFFICIAL LAUNCH OF THAKSIN'S SECOND BID

¶12. (U) PM Thaksin formally launched his bid for a second four year term before thousands of loyalists from his Thai Rak Thai (TRT) party in a nationally televised extravaganza on October 17. The Hua Mark indoor Stadium venue in Bangkok was connected through a teleconferencing link to thousands more TRT supporters at eight locations throughout Thailand, including Samut Sakhon, Chon Buri, Chiang Mai, Nakhon Ratchasima, Khon Kaen, Nakhon Phanom, Saraburi and Phattalung. The Prime Minister came with a full bag of trademark "populist" promises for his next term, designed to appeal especially to voters in the nation's 74,000 villages. Vowing to the national audience that he will eradicate poverty in Thailand over the next four years, Thaksin promised his crucial rural constituency that his earlier rotating village fund scheme will evolve into a system of village "banks" offering easy access to loans for farmers. Thaksin also announced that his government will form a organization to take out loans for poor farmers that the recipients will be able to repay with produce and livestock.

¶13. (U) Thaksin declared that his second administration will also dispatch "poverty eradication caravans" throughout Thailand to provide job training for the unemployed, who would also be given a 100 baht daily allowance (approx. 41 baht equals 1 US dollar) for participating. Thaksin also promised that land right papers will be issued to squatting farmers who are now occupying and using public land. In another nod to the nation's lower income group, Thaksin announced that he will expand his 30 baht medical care program through increased levies on tobacco, alcohol and other "vices." The poor will also be given more low cost housing and slums will be eradicated (though no one will be forced to leave them, he reassuringly added).

¶14. (U) Thaksin also provided for Thailand's middle class in his package of promises. Addressing a subject dear to the heart of every Bangkok commuter -- the city's massive traffic jams -- Thaksin vowed to spend 1.1 trillion baht to improve traffic flow in and around the capital. He promised to build more "sky train" (elevated tracked transport) and subway routes -- while keeping fares low for the ridership. Tax deductions up to 60,000 baht will be offered to those caring for elderly parents. Small business will be granted a higher tax deductible income base on their revenue. Thaksin told his supporters and the nationwide audience that that his second administration also will develop the country's river basins and construct more reservoirs to combat drought. Bureaucratic performance will be improved and corruption addressed.

"I CAN DELIVER"

¶15. (U) Thaksin, casually dressed in his TRT party jacket and clearly dominating his enthusiastic, flag-waving crowd, repeatedly pumped on the theme of TRT's ability to deliver on

its promises. He outlined his own successes and also made repeated references to the opposition Democrat Party's "failures." Referring to the question of how he will fund all of his promised programs, Thaksin -- the country's most successful businessman -- declared that "we have the money because I know how to make money. And when I promise to do something, you can be sure I can deliver, unlike the other party that failed because they promised but couldn't deliver." Thaksin referred proudly to his record as prime minister over the past four years, pointing out that during this period Thailand came out of the economic crisis that had plagued it since 1997. (Note: Thaksin emphasized how his government has performed for the nation's economy. For example, he pointedly noted to his audience in the DP stronghold southern city of Phattalung that under his administration rubber and palm oil prices are good, as are tourist numbers)

THAKSIN MAKES SOME INTERESTING ADMISSIONS

16. (U) Thaksin told the assembled faithful that, though weary from his four years in office, he believed he had successfully addressed many of the country's problems. In a moment of introspection, Thaksin admitted that he had been "rash and hot headed at times" with his critics, but vowed to "keep cool." (Note: This is not the first time the Prime Minister has vowed to curb his famous temper.) Oddly, after ruing that his duties as Prime Minister has given him little time to spend with his family, he volunteered that "my sex life also suffers." The two-hour show concluded with displays of cheering crowds, balloons and fireworks.

TRT TARNISHED IN RECENT MONTHS

17. (SBU) Comment: Thaksin has come out with a strong populist platform that will undoubtedly excite his rural vote base, if not the more skeptical Bangkok electorate. He is anxious to shore up a widely perceived sag in his party's popularity since last summer's win of the Bangkok governorship by the Democrat Party. Troubled by an inability thus far to stem chronic violence in the south and a recent revival of the Avian Flu scare, Thaksin is talking more defensively. His public comments scale back his earlier predictions of a massive Thai Rak Thai win in the next general election. In recent remarks, Thaksin appeared to back away from his earlier call for 400 out of 500 parliamentary seats. On October 12, Thaksin told the "Nation" newspaper that the TRT is "certain" to win 200 seats and to take a proportionate number of the 100 party list seats given automatic appointments in ratio to their parties' total vote. Apart from the latest reshuffle (ref b), Thaksin has been rolling out a number of public initiatives recently to buttress his popularity. These include the recent inauguration of a campaign against corruption, salary hikes for low-level government employees and minimum wage increases.

CAMPAIGNING TO ACCELERATE

18. (SBU) Comment continued: Election campaign-related activities will continue to pick up. So will the exchange between the opponents. DP Leader Banyat Bantadtan criticized Thaksin for holding a gaudy campaign inauguration while providing no answers to the issues of reemergence of Avian Flu and southern violence. Thaksin, for his part, will likely repeat his characterization of the DP as weak, out of touch and unable to deliver on campaign promises. Thaksin appears confident that his hold is secure on the vote-rich north and northeast regions of the country. He is preparing, however, for a battle with the DP for the much less certain south and central regions. His campaign kickoff suggests that Thaksin will rely on a re-election strategy of direct appeal to voters over the head of local power brokers, something similar to the method that served him so well in 2000-01. He is again prepared to offer the electorate as many blandishments as it takes to win, whether they are financially sound and fully realizable or not. End Comment.